

MINUTES OF THE SPECIAL CITY COUNCIL MEETING  
TUESDAY- -MARCH 29, 2011- -6:00 P.M.

Mayor Gilmore convened the meeting at 7:07 p.m. Councilmember Johnson led the Pledge of Allegiance.

ROLL CALL – Present: Councilmembers Bonta, deHaan, Johnson, Tam and Mayor Gilmore – 5.

Absent: None.

AGENDA ITEM

(11-143) General Fund Budget

The Controller gave a Power Point presentation.

Councilmember Johnson inquired whether other budgets cover General Fund costs, like public safety; stated portions of police costs were paid out of the Alameda Reuse and Redevelopment Authority (ARRA).

The Controller responded most costs are accounted for out of the General Fund; if there are other funds that benefit from the service, a cost reimbursement is done from other funds; ARRA is an excellent example as cost reimbursement is done from that fund for police services provided to ARRA; the cost allocation plan maximizes reimbursement from other funds.

Councilmember Johnson inquired whether the complete amount spent on a department, such as police, is shown in the General Fund, to which the Controller responded mostly; stated grant regulations require grant funds to be accounted for separately; the majority of police and fire expenses are in the General Fund.

Councilmember deHaan stated the 31% is spent on fire and 38% is spent on police inquired said percentages for previous fiscal years.

The Controller responded that he would have to research and provide said information.

Councilmember deHaan stated that he recalls public safety was around 65%; there has been a growth of 4%, which is of concern.

The Controller stated the amount has probably grown due to PERS costs and health costs going up.

Councilmember deHaan stated there is a tipping point; having to amount be 70% of the General Fund would be concerning.

The Acting City Manager stated public safety costs are typically around 2/3 or higher; the City is not out of the norm.

Councilmember deHaan requested the percentage for the last 5 years.

The Controller continued the presentation.

Mayor Gilmore inquired whether the assumption of no salary increases through FY15-16 along with no bargaining units receiving a salary increase for 3-4 years up to this point, is 6 years without an increase.

The Acting City Manager responded staff is presenting the known facts and is not making a recommendation; the numbers show there is a problem without any salary increases; any salary increases change the picture; since staff does not know what the salary increases might look like, current information was used to make projections.

Mayor Gilmore stated it is hard to expect people to take 6 years of no salary increases.

The Controller stated staff did not want to obscure the fact that there is a significant deficit problem even without increases.

Councilmember deHaan stated the Controller indicated the health benefit increase estimate of 14% is mid range; the last time, the range was 12-20%; 14% seems a little on the low side considering Blue Cross was throwing 30%.

The Controller stated 14% is a best guess; PERS is good at trying to keep the rates down; PERS negotiates for a large number of agencies; the news has indicated individuals have had an of 83% increase over the last year; PERS has large clout and tends to keep rates down a bit more; the City's OPEB valuation consultant tends to estimate on a downward sliding scale for health.

Councilmember deHaan stated there was hope for a National Health Plan, which is obviously not the case.

The Controller continued his presentation.

Mayor Gilmore stated the City's expense line continues to rise; inquired whether most of the increases are due to increased health cost, OPEB and PERS, to which the Controller responded in the affirmative; stated one reason salary increases were left out in order to keep from clouding the picture; keeping the salary increase out shows the dramatic impact of the PERS and health increases, which the City does not have control over.

Councilmember deHaan stated the City has a \$75 to \$80 million shopping list of deferred maintenance; inquired whether the estimates include funding for said list.

The Controller responded the same level of maintenance expenditures is assumed for the General Fund portion; stated other sources of revenue, such as gas tax and Measure B, can be used for roadway maintenance.

The Acting City Manager responded the forecast shows everything remaining static.

Councilmember deHaan inquired whether OPEB is being bought down, to which the Acting City Manager responded in the negative;

The Controller stated the estimates assume continuation of pay as you go.

In response to Councilmember deHaan's comments about next budget cycle, the Acting City Manager stated staff wanted to let everyone know about the problem and give the Council and community time to understand what the City is facing; the City is facing difficult decisions about how to move forward; the presentation assumes that nothing is fixed; solutions for FY 11-12 will bring down future deficits; there are difficult decisions; staff is looking at on-going and one time fixes.

Councilmember deHaan noted one time revenue was used in FY 10-11.

The Controller stated the sources of one time revenue were \$1.9 million from the transfer tax and \$2 million from reimbursements from outside funds; nether will reoccur in FY 11-12, which is part of why revenues are forecasted to drop from \$73 million in FY 10-11 to \$67 million FY 11-12; one time solutions do not help the situation long term.

Councilmember Johnson inquired how confident the City is with the State's situation, to which the Acting City Manager responded an upcoming slide addresses redevelopment.

In response to Councilmember Johnson's inquiry regarding gas tax, the Acting City Manager stated staff has not heard the State talking about the gas tax; redevelopment has been the focus; the State is also messing with libraries; the General Fund is impacted if the State takes away redevelopment.

In response to Councilmember deHaan's inquiry regarding the \$2 million reimbursement, the Controller stated Alameda Municipal Power owed the City \$1.1 million from something like Payment in Lieu of Taxes (PILOT); \$850,000 came from the City not billing the assessment districts properly for administrative costs going back 10 years averaging about \$80,000 per year; the correct amount will be charged going forward; continued the presentation.

Councilmember Tam inquired what portion of the \$581,000 in the CIC budget that would be eliminated if the Governor's proposal the eliminate redevelopment is successful is cost reimbursement for public safety.

The Controller stated that he would look into the matter and provide information back to Council.

Mayor Gilmore inquired whether cuts are the only way departments can absorb the decrease in General Fund revenues, to which the Controller responded either General Fund revenues would have to be raised or expenditures would have to be cut; noted the City plans on conducting a Cost Allocation Plan in FY 11-12.

Mayor Gilmore stated in the event redevelopment goes away, not only the redevelopment activity goes away, the redevelopment agency's share of paying for overhead in, for example, Legal, Finance, Human Resources; departments will have to pick up a larger share of costs.

Councilmember deHaan noted the costs are fixed.

The Controller continued his presentation.

Councilmember Johnson noted the City was expecting to have PERS increases in FY 12-13, not FY 11-12.

The Controller stated the FY 11-12 budget just rolled over the amounts from the FY 10-11 budget and did not include any cost of living adjustments.

In response to Councilmember Johnson's inquiry about whether PERS had indicated there would not be any increase until FY 12-13, the Controller state PERS provided information in October 2009; PERS was not sure if the assumed rate of return would be changing and indicated the matter would be addressed in February; the Board decided not to increase the rate to 7.5%, which would have increased the City's cost by 1 to 4%.

Councilmember Johnson inquired what the increased amount is based on if PERS did not adjust its rates and is leaving it 7.75%.

The Controller responded PERS lost 24% in 2008; PERS valuations are two years behind; reviewed a slide which shows rates remained the same from FY 08-09 to FY 10-11; stated the first smoothing mechanism PERS adopted did not assume such a dramatic loss; the City would have had to pay a huge increase under said mechanism; PERS adopted a new smoothing mechanism, which makes the rates gradually go up and kept the rates from going up 10% or more in FY 11-12; the drawback is rates will stay higher for a longer period of time.

In response to Councilmember Johnson's inquiry regarding PERS's current return on investment rate, the Controller stated the rate changes daily, but he has heard PERS has earned 10 to 11% for the year; earning a little more than 7.75% provides little benefit the next year because it is spread over such a long period of time.

Councilmember Johnson inquired how much loss in the PERS portfolio has not been realized; stated one loss was the huge investment in Mountain House; the property will not be worth very much for a long period of time; PERS has not taken some losses yet.

The Controller responded staff does not have the full information on that, but it could be the case.

Councilmember Johnson stated PERS having a little more transparency would be nice.

Mayor Gilmore stated the public needs to realize PERS takes gains and losses without feeling it; when PERS has a loss, the costs are passed on to the cities, counties and agencies in the retirement system; PERS takes no risk as an investment entity and does not have incentive to be very careful.

The Controller continued the presentation.

Councilmember Johnson stated staff is creating a benchmark by not adding employees; however, employees retire and the City will be hiring new people, which adds to the cost.

The Controller stated the PERS averages the number of retirees per year, how long the retirees are living, and the number of active employees; if the number of employees drops, there is a smaller base to spread the PERS cost over; the rate could go up because there would be a smaller base to spread the costs over; continued the presentation.

Councilmember deHaan stated that he does not see exposed to the General Fund when we talk about lawsuits; SunCal could be going against the project, but it usually comes out of General Fund, but he thinks it was put in the ARRA; the City has other exposures; inquired how the amount is taken care of.

The Controller responded the costs are taken care of several different ways; the City Attorney's budget in the General Fund is designed to cover some costs; Risk Management insurance is in a separate internal service fund; departments all pay a pro rata charge; the idea is enough reserves are built up over time to cover a one year hit; continued the presentation.

The Acting City Manager began to give her portion of the presentation.

Mayor Gilmore requested clarification on the Controller's statement about PERS costs going up when there are salary reductions or reductions in the workforce.

The Controller stated PERS costs go down, but the rate could potentially go up because there is a smaller base over which to spread costs; for example, the PERS costs could go down by \$200,000, but the rate could increase a percent or two; reductions in work force lower salary and benefit costs.

The Acting City Manager stated reducing the workforce would create a savings; continued the presentation.

Councilmember deHaan inquired whether a theater admission tax has to go to the voters, to which the Controller responded it depends on how it is structured.

The Acting City Manager noted new fees are treated differently under Proposition 26.

Vice Mayor Bonta inquired what is the threshold on a general tax, to which the Acting City Manager responded 50% plus 1; stated a public safety parcel tax requires 2/3 vote.

Councilmember deHaan inquired the City will not be receiving County EMS service revenue that was going to be generated to pay for arrears.

The Interim Fire Chief responded the \$3.2 million in arrears will be paid for over 15 years out of first responder Advances Life Support (ALS) franchise fees from the new paramedic transport provider, Paramedics Plus.

The City Manager noted the amount is in addition to the \$860,000 annual amount for the current and next fiscal year.

Councilmember deHaan stated the City will forego revenue it would have received from the County; the County is going to go forward with a process to address the annual costs.

The Acting City Manager stated the City is working to see if the County's existing Measure C can be extended to Alameda; the City is going through the Local Agency Formation Commission (LAFCO) process; then, a Board of Equalization process starts in December; the tax will not be added to the tax roll until August 2012.

Councilmember deHaan inquired how the amount was accounted for in the out years, to which the Acting City Manager responded staff is assuming the tax would be collected in FY 12-13; if the tax is not collected, the City would have an additional General Fund expense.

In response to Councilmember deHaan's inquiry, the Acting City Manager stated if not successful, the amount would be an on-going General Fund expense or the City will need to place a tax on the ballot.

Councilmember Tam stated the Firefighters brought forth the concept of doing ambulance transport with Basic Life Support (BLS) and charging a fee for the service; a business plan was presented to City Management at one time; inquired whether there have been any further conclusions about the matter.

The Interim Fire Chief responded the conclusion is that it is not viable for the City to provide an exclusive BLS transport service; the City does not have exclusive rights for BLS transportation.

The Acting City Manager inquired whether the City would not be competitive in the market place, to which the Interim Fire Chief responded in the affirmative.

Mayor Gilmore stated other providers do not keep vehicles on the Island; inquired would the City not have a competitive advantage because its apparatus is here.

The Interim Fire Chief responded the City does not have the legal right to provide the service.

Mayor Gilmore inquired whether Paramedics Plus has the exclusive right, to which the Interim Fire Chief responded in the negative; stated other private ambulance companies in the County have the right BLS transport services.

Mayor Gilmore inquired whether the companies contract with the County, to which the Interim Fire Chief responded in the affirmative.

The Acting City Manager stated another challenge is an ambulance providing BLS transport service would not be available to respond to ALS calls.

The Interim Fire Chief concurred; stated additional ambulances and staff would have to be added, which would be very expensive.

Mayor Gilmore inquired whether the County is the licensing agency; and whether the first step the City would have to go through would be a process with the County to have the right to provide the service.

The Interim Fire Chief responded in the affirmative; stated staff has discussed the matter with Alameda County EMS; without an exclusive agreement, the City would be competing with private providers; it could be profitable if the City had the exclusive right to BLS transport.

Mayor Gilmore stated that she understands the City would be competing and was questioning whether the City would have a competitive advantaged based on the fact of being physically on the Island; stated other ambulance services would have to come off of the Island to service Alameda residents.

The Interim Fire Chief responded his concern is with using existing ambulances for the service; transporting non-emergent patients would commit ambulances causing them not to be able to respond to emergency calls.

Councilmember deHaan stated the Alameda Hospital had an ambulance; inquired what was the use of said ambulance.

Vice Mayor Bonta stated Alameda Fire Department ambulances, as well as private company ambulances, are used by the Alameda Hospital.

Councilmember Tam stated the Hospital contracts for ambulance service.

Councilmember deHaan stated the ambulance has Alameda Hospital painted on it.

The Interim Fire Chief stated said ambulance is an AMR ambulance.

Councilmember deHaan inquired whether the ambulance is used for the BLS service, to which the Fire Chief responded in the affirmative.

Councilmember deHaan stated the City would be going into a territory that is already covered.

Councilmember Tam stated that she recalls seeing a provision in the EMS Contract that allows the City to have the ability to do BLS transport.

The Interim Fire Chief responded that he would research the matter and provide information back to Council.

Mayor Gilmore requested information be provided back.

The Interim City Manager stated staff would provide the information.

Vice Mayor Bonta stated that he has heard an argument that there is an exclusive operating right for BLS; inquired why staff believes this is not true.

The Interim Fire Chief responded for 10 years he has heard that the City had an Exclusive Operating Agreement (EOA) for BLS; in the last 12 months, Alameda County EMS clarified that the City does not have an OEA; an OEA is not in the City's contract.

Councilmember Tam stated that she would appreciate staff checking the Contract; that she remembers the Contract including non emergency BLS service.

The Acting City Manager stated staff would check the Contract and contact the County to clarify, if needed.

Councilmember Tam stated staff should do more than just check the Contract and should help Council to understand whether or not the matter [of providing BLS] has been reviewed and the potential to generate revenue has been evaluated in spite of the fact that the City has a geographic advantage with the ambulance service being on the Island.

The Acting City Manager continued the presentation.

Mayor Gilmore stated staff was thoughtful in putting together the questions; the City should look at doing all of the things presented; the matter is a timing issue; a combination of structural and one time fixes could be done for the next budget year



knowing that the next budget year there might be additional structural changes; that she is not sure the organization can deal with biting the bullet in one fiscal year; it [restructuring] might have to be done over a period of time, maybe the next two to three years; the City will have to look at the cost side; maybe going out for taxes could be done in the third year after appropriate polling has been done; cost sharing with employees will have to be reviewed; there will have to be discussions with employees about certain give backs; the City will have to do all of said things; the presentation is starting the conversation; all of the things will have to be done over the next several years to ensure that the City is put in a position to be fiscally sustainable on the General Fund side; in terms of across the board cuts versus being surgical, Council direction has always been try to absorb the cuts internally and impact service to the citizens the least amount possible; the City has been a victim of its own success; services to residents have not been impacted; cuts should be surgical; the City exists to provide services; Council will have to discuss core services and priorities with residents; decisions and discussions will be tough.

Councilmember Johnson stated Council should be provided the departments' proposals of 5% and 10% cuts.

The Acting City Manager stated the departments are putting the finishing touches on the proposals.

Councilmember Johnson stated providing the information to Council in the upcoming weeks or month would be helpful.

Vice Mayor Bonta inquired whether direction about how to make cuts was provided to department heads, to which the Acting City Manager responded that she acknowledged that departments know their budgets better than her; stated departments were directed to determine core services, what can be lived without and how cuts will be made; the numbers are really large in some departments; cutting contractual dollars, supplies and materials will not be enough; programs will have to be cut, which might include people in some departments; that she wanted to see what departments could do first.

Mayor Gilmore stated when the proposals come to Council, she would like to know specific impacts; that she does not just want to see a number, she wants to know what is associated with that number, such as how many people, specifically what programs will be cut, whether programs are internal, such as training, and what community programs are being cut; if it is a question of things that the staff does, such as mowing parks every 2 weeks rather than 10 days; she wants to know said impacts so that the information can be provided to the community and the community and Council can understand what the cuts mean.

The Acting City Manager stated said information can be put together.

Councilmember deHaan stated everyone has to be concerned about the out years; immediate years have been addressed through smoke and mirrors, such as refinancing

on bonds two or three times; the day and age of a one time effort to make it through one year is not there; a 10% cut to certain core services could be really devastating; that he is open to have everything come back; everything is on the table; the second year could be the drop dead date when the reserves will be depleted; Council needs to step in and put things in perspective; it is going to hurt; the Council and community need to understand what is going to happen; the City did not even sneak by this year as there is a \$4 million shortfall and one time revenue generation was eaten up; the situation has to be solved; every municipality is going through something similar.

Councilmember Tam stated the staff approach of looking at structural and one time fixes is good; all fees should be evaluated; she paid \$31 to park in San Francisco; comparisons are important; the General Fund revenue; property tax revenue do not seem to be going down and are more or less staying stagnant; that she would like to understand whether revenues are not keeping up with expenditures.

The Acting City Manager responded that is exactly it; the City has modest revenue growth and immodest expenditure growth; the growth in expenditures cannot be supported.

Councilmember Tam stated the City has been living on prior cuts; staff cuts were made last year; after cuts have been made, it seems more cuts are needed; it is kind of a death spiral.

Councilmember Johnson concurred.

The Acting City Manager stated staff was not cut last year; cuts were made in May 2009; most of the cuts were in Community Development, which is not in the General Fund; the Community Development fund is doing pretty well right now as a result of eliminating the positions.

Councilmember Tam stated the City is reaching the point of being close to running on fumes.

The Acting City Manager concurred; stated said status is why staff is looking at structural changes; one time solutions are just band aids, will only get the City so far, and would be fine if things would be okay in FY 2012-13, which is not the case; additional expenditures are predicted for FY 2012-13 and revenues are not growing to keep pace; structural changes need to be made now to bring expenditures down and bring the revenue line and expenditure line closer together.

The Controller stated revenues are stagnating and are not growing like they were several years ago; revenue growth of 2 to 3% is not very much.

Vice Mayor Bonta stated street level service cuts should be minimized; the point where service is delivered to the community should be protected as much as possible; the pain should be shared and spread throughout the entire organization; there should not

necessarily be any protected groups, including management and executive teams sharing in reductions; a 5% cut was done at the Hospital top to bottom from the Chief Executive Official down, which was good for morale and is a good principle; that he would hate to see only street level cuts brought back without looking at management, administration and overhead closely; everything needs to be on the table; closing the gap does need to be done by a combination; one time fixes can be a part of the overall solution, but not something that the City relies on too heavily; ways to make structural changes need to be found.

Councilmember Johnson concurred with all the Councilmembers saying everything needs to be reviewed; core services have to be defined carefully; some might not consider parks, recreation, or library hours core services; the library is packed every time she is in there; library is a core service; recreation provides child care and after school care, which are core services; there is a structural problem; although the City has probably made cuts every year for the last 8 years, there is still an on going problem; the problem will continue because unlike a private company, the City has a difficult time adjusting expenses; the structural imbalance has to be fixed, which cannot be done in one year.

Mayor Gilmore stated the City is not a private business, has fixed overhead and provides service; the City does not make widgets and cannot adjust its production line; employees are the City's assets; the City has limited methods of trimming overhead and does not have flexibility like private enterprise; the City has to take into account the needs of its service population, which is its residents.

Councilmember deHaan stated property taxes are a driving force of decreased revenue; sales are ¼ of normal; the inventory on the market is four times higher than normal; the assessor automatically makes adjustments every year; training, travel, and overtime are the first things addressed and eliminated off the bat, as well as bottled water and catered lunches; the changes start with Council; the City cannot live with overtime of 15 to 20%; the 4 day was implemented in the early 1990's, which has caused headaches; being open 5 days with the 4 day work week resulted in more part time workers to fill the gap; there was not really a savings; a decision has to be made about closing down one day a week; Council is obligated to review said items; hopefully, the City heading in the right direction will help in 2-3 years; one time adjustments cannot be done anymore.

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Councilmember Tam left the dais at 8:46 p.m. and returned at 8:48 p.m.

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Vice Mayor Bonta stated another way to pursue revenue generation is through business attraction and retention efforts, such as VF Outdoors and Lawrence Berkeley National Lab; said efforts will give transfer taxes, property taxes and increase sales tax revenues and are part of the solution.

The City Treasurer addressed the Council.

Councilmember Johnson requested the City Treasurer to explain his statements about San Jose and Oakland.

The City Treasurer stated San Jose is looking at 10% pay cuts; Oakland laid off officers, which ended up in negotiations and officers are sharing PERS costs; there are blue prints out there; the Acting City Manager could gather up sample data points; the problem is not unique; the City is not alone in the problem, but is alone in not addressing the problem; the City is on the Vallejo trajectory [bankruptcy]; Vallejo's public safety was 75% of its budget; the City is past the red zone.

Councilmember Johnson stated current employees and retirees should have the most interest that the City is on a sustainable course; PERS expenses continue to go up and police and fire has to be cut to make PERS payments; cities start defaulting on PERS and OPEB payments if the price gets so high that services cannot be cut enough to pay for retiree expenses.

Mayor Gilmore stated in many cases retirees have better benefits than employees working today; the people working today are supporting the retirees; in the trajectory of the system, tomorrow's workers will not be there to support the current generation of active employees; if not changed, the active employees will not be collecting anything.

Councilmember Johnson stated there are current employees under Oakland's old retirement system and Oakland is threatening not to pay; retirees should not feel secure.

The City Treasurer stated in the Vallejo case, retiree medical benefits were reduced by 75%; the City has medical obligations it cannot pay.

Councilmember Johnson stated government might have to decide between having current employees and providing services versus paying obligations for retirees.

The City Treasurer stated the City could reach the point where the Courts decide what will be provided if something is not done; something has to be done immediately; that he is available to support the Council and review information.

The City Auditor addressed the Council.

Mayor Gilmore stated the City Council does not believe the City will get out of the mess by simply raising revenue; it is clear that the City has to make cuts and restructuring has to be done; restructuring does not do any good on day 1, but may do some good in 15 to 20 years; the City has to come up with long terms solutions for its pension and OPEB; here and now type of savings are also needed; one way to achieve present savings is tell people to take a cut across the board; another option is layoffs, which impact service to the public; response times being twice as long due to public safety layoffs could be a new reality; the Council has to communicate said things to the public;

the community needs to understand and support impacts; it comes back to: need to have, want to have and what the community will accept.

The City Treasurer stated some fixes, like changing the system for new employees, will not help in the short term; as far as what the City do today, stop the defined benefit plan tomorrow; buy everybody out; the bill would be huge and money would have to be borrowed, but the bleeding would be stopped; that he is not sure whether the idea is legal or would be accepted by the unions; public safety has to be discussed because it is the lion share of the budget; the City has a specific amount of money and cannot create a lot more; the City can try to bring in business and revenues, but has a finite amount of money; services require a certain staffing level; all City employees, including public safety, are in tune with providing high quality services to the citizens; there is a finite amount of money, which should be divided amount the number of employees desired to meet a certain staffing level; the calculation is pretty easy; hopefully, employees and service will not have to be cut.

Mayor Gilmore stated the Auditor's and Treasurer's input is always welcome, valuable and appreciated.

Councilmember Johnson inquired what the proposal will be on the OPEB issue, to which the Acting City Manager responded right now the City is doing pay as you go and is not contributing to buying down its liability; a capital improvement discretionary fund has about \$2.7 million; some portion could be used to start funding the OPEB liability; that she does not have a plan for really chipping away at the \$75 million and growing liability; she is focusing on the \$6 million budget hole, which is to the detriment of long term needs; the City has both an OPEB and deferred maintenance problem; the matter should have been addressed when the City was in a better financial situation; an alternative would be to cut more and put more toward OPEB; the City does not have unlimited resources to spread around and start buying down long term liabilities.

Councilmember Johnson stated the City needs to discuss the matter; no year is a good year.

Mayor Gilmore stated more community input is needed when the discussion is held; encouraged citizens to participate; really difficult decision will need to be made that will impact everyone; the Council wants to hear from people before making decisions.

Councilmember Johnson stated the City has had budget difficulties for many years and will continue for many years to come; the City needs to start doing something about long term obligations; the City has obligations and needs to ensure what it commits to is sustainable and there is enough money to pay.

Councilmember deHaan stated the start of the fiscal year is only months away; it is too late to get the public to come up with solutions; it is time for the Council to make hard decisions; getting feedback from the public will take months.

Mayor Gilmore stated that City will go forward with the normal budget process and timeline; going forward, she wants more members of the community aware what is being done before the fact as opposed to after the fact.

Councilmember deHaan concurred; stated decisions have to start being made as soon as possible; there will not be consensus from the public; direction will have to come from Council; the US Government split its retirement system back in the early 1980's; working through the cycle took 30 years; changing the system will not help today; Council has to start making hard decisions.

#### ADJOURNMENT

There being no further business, Mayor Gilmore adjourned the meeting at 9:36 p.m.

Respectfully submitted,

Lara Weisiger  
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.